

Bulk Infrastructure AS
Consolidated first half year 2017

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Board of Directors Report first half year 2017 - Bulk Infrastructure AS

Business description

Bulk Infrastructure AS is an industrial investment company primarily investing in real estate developments within warehousing, logistics, data centers and infrastructure.

Investment criteria

- *Diversification*: investing in businesses with low market correlation.
- *Industrial approach*: long-term investment perspective with focus on standardization and scalability at the right time.
- *Cash flow*: create predictable long-term income.
- *Active ownership*: owner has controlling influence on the Company's investments.
- *Human resources*: internal versatile expertise where specialists from different disciplines form teams to ensure creativity, good solutions and enhance value creation.
- *Sustainability*: focus on environmental, social and governance parameters to generate long-term financial returns and limited risk.

The Company believes its investment criteria will ensure good investment decisions. Its objective is to diversify risk by investing across multiple projects in non-correlated sectors at the same time. The Company has an opportunistic investment approach and the ability to shift its focus rapidly when the market changes.

The Company's office is in Oslo municipality.

1H 2017 in short

- The Group has sold and handed over properties with a profit of NOK 44 million. In addition, the Group has also entered into forward agreements for the sale of NOK 497 million in property value where properties to be handed over in 2H 2017.
- Total revenues of NOK 108.9 million compared to NOK 76.0 million first half year last year.
- The Group has a number of ongoing processes with various tenants for the development of new warehouse and logistics buildings.
- The development of data centers is in good progress after several years of analysis and mapping. The Group is now on the way of becoming the leading data center developer in Norway. The Group has projects ongoing in Oslo, *Oslo Internet Exchange (OS-IX)*, and in Vennesla on *N01 Campus*.
- The dark fiber route between OS-IX-Oslo S-Kristiansand-Denmark is completed with connection to *N01 Campus*, Vennesla. Kristiansand to Stavanger is scheduled to complete in Q4 2017.
- In 2016, Bulk Infrastructure has initiated several processes which continues in 2017 to ensure that procedures and activities is in line with certain commonly accepted standards. The company is currently implementing ISO 9001 Quality Management, 14001 Environmental Management, 22301 Business Continuity and 27001 Information Security, in addition to EU Code of Conduct for Datacenters Energy Efficiency and EN50600 for Data Center design.

Bulk consists of the following business areas:

Bulk Logistics AS (LOGIBULK) is a Nordic real estate developer, specializing in large modern warehouses, industrial buildings, cross-dock terminals and logistics parks. The company continues the operations developed through Bulk Eiendom AS. Established in 2006, and have already developed and delivered over 342 000 m² of high quality, flexible and energy efficient facilities for customers.

Bulk Digital Logistics AS (DIGIBULK) is an industrial developer of data centers and data center services. The company is focusing on Oslo Internet Exchange (OS-IX) data center in Oslo as well as N01 Campus in Vennesla. The company is developing OS-IX as "state of the art" data center including brand new infrastructure. We are constructing the world's largest data center campus powered by renewable energy in Vennesla. The company deliver quality, flexibility and sustainable alternative for the national and international market.

Bulk Networks AS (OPTIBULK) is a company that manages and operate long-haul fiber infrastructure. The current fiber infrastructure connects Oslo to Kristiansand and Vennesla (Southern Norway) to Denmark.

Going concern

In accordance with Section 3-3a of the Norwegian Accounting Act, we hereby confirm the assumption of going concern. The assumption is based on first half year 2017 status and The Group's long-term strategic forecasts for the years ahead. The Group has a solid financial position.

Future development

Warehousing, logistics and industrial buildings - The demand for new and modern logistic properties are good and the demand expects to keep strong going forward. The Group has signed new lease agreements for construction of approximately 20,400 m² during first half year 2017. Bulk is also involved in zoning and development of new logistics locations, both alone and in partnerships. The transaction market for commercial property has been good in the first half year 2017. We have experienced an improvement in the lending from finance institutions; we expect low interest rates to keep high demand for new modern logistics and warehouse properties with long cash flow.

Data Centers - It is a strong national and international interest in the data center projects. It is an ongoing process with public authorities, investors and both new and existing tenants. OS-IX is undergoing refurbishing with new 15-megawatt redundant power supply, meet-me-rooms, internet exchange and multiple ducts with dark fiber connectivity. The expectations to let out N01 Campus in the years to come are substantial. Multiple international companies have already visited N01 Campus. The construction and letting of the first data center is ongoing.

Fiber networks - Dark fiber between Oslo and Kristiansand and onwards to the continent is completed. This makes OS-IX and N01 Campus directly connected to the global networks and tier 1 Carriers.

Report on the annual accounts

Total income for The Group was NOK 109.0 million compared to NOK 76.0 million first half year last year. This is an increase of NOK 33.0 million mainly related to higher multiple sales of underlying properties in first half year 2017 and the acquisition of Data Center Technology AS (DCT). NOK 60.4 million of total income is generated from Logistics in first half year 2017, compared to NOK 52.1 million first half year last year. The Service area generates a total income of NOK 48.6 million in the first half 2017, compared to NOK 22.4 million first half 2016. The increase in the service area is mainly due to the acquisition of DCT in May 2016. Profit for the first half 2017 was NOK 50.1 million compared to NOK 12.1 million first half 2016.

The Group's operating profit was NOK 66.6 million in 2017 compared to NOK 26.8 million first half 2016, while the annual net profit adjusted for minority interests was NOK 50.1 million in first half 2017, an increase from NOK 12.2 million in first half 2016. Bulk Logistics contributes with a profit before tax for the first half 2017 of NOK 81.3, compared to NOK 35.8 million first half 2016.

Total current assets was NOK 587.7 million as of June 30, 2017 compared to NOK 92.9 million as of June 30, 2016. The increase is due to increased cash and cash equivalents in addition to development property of NOK 379.2 million reclassified to inventory as of June 30, 2017.

The Group's total liabilities amounted to NOK 519.1 million as of June 30, 2017, compared to NOK 409.5 million as of June 30, 2016. This increase is mainly due to financing of new projects.

Other financial and interest costs amounted to NOK 8.8 million in first half 2017 compared to NOK 7.8 million in first half 2016. The Group aims to reduce these costs significantly by strengthening its equity.

Total assets at the end of the first half 2017 amounted to NOK 1,447.4 million compared to NOK 1,024.0 million last year. The equity-to-assets ratio as of June 30, 2017 was 64.1 %, compared to 60.0 % as of June 30, 2016.

The Group's financial position is strong.

Research and development

The group has no material research and development project. However, the parent company has an internal project related operating management platform (OMP). Bulk also participates in the Sintef project HighEFF – Energy Efficient and Competitive Industry for the Future.

Financial risk

The Group is exposed to these types of risk:

Liquidity risk - The Group intends to have sufficient liquidity to meet all its obligations, including the new investments that are ongoing. The Group intends to maintain a reasonable amount of liquidity to meet unforeseen obligations.

Interest risk - The Group has loans with a number of financial institutions, all with long-term repayment plans. The Group is exposed to changes in NIBOR interest rates and SWAP interest.

Credit risk - The Group's warehouse and distribution properties are characterized by high standards, good locations, long lease agreements and reliable tenants. There was no credit loss in first half year 2017. The Group's tenants normally pay quarterly and in advance. The lease agreements usually require an additional form of collateral or security.

Market risk

The transaction market for commercial properties - Demand for commercial real estate in Norway is currently high. Particularly properties with long-term lease agreements and low rental fees are attractive. Demand is expected to keep strong as long the interest rates remain low. There has been a slowdown in the lending from the banks in Norway due to slower growth in the residential market. This could in turn affect the transaction market going forward.

Rental Market for warehouses, logistic buildings and data centers. The Group is exposed to the risk of changes in lease/rental prices in the market. Fluctuations in unemployment and inflation affect the Group. The Group has several long-term lease agreements in place. However, the weighted average lease term for tenants has decreased from 8.3 year last year to 7.5 years as of June 30, 2017 as some lease contracts with shorter duration has been entered during first half year 2017. The lease agreements

provide The Group with fixed and predictable revenues throughout the contract period. Most lease agreements are adjusted annually 100 % in line with the consumer price index. The rate of vacancy in buildings is very low.

Subsequent events

Bulk has in June 2017 signed an agreement for sale of a portfolio of approximately 31.100 sqm of warehouse properties and approximately 71.400 sqm of land with a non-disclosed buyer. The properties are expected to be handed over during Q4 2017.

Oslo, August 28, 2017

The board of Bulk Infrastructure AS



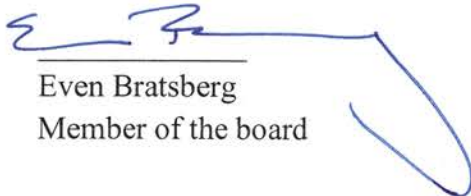
Peder Nærbo
Chairman of the board



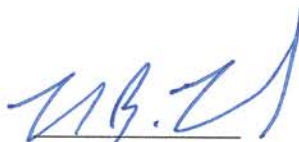
Torbjørn T. Moe
Member of the board



Lars Oskar Bustgaard
Member of the board



Even Bratsberg
Member of the board



Nicholas B. Laird
Member of the board



John Erik Tønnessen
General manager

Bulk Infrastructure AS

Consolidated first half year 2017

Presentations

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- 4 Intangible assets
- 5 Derivative financial instruments
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Bulk Infrastructure AS
Consolidated statement of profit and loss and other comprehensive income
For the first half year ended June 30, 2017

	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
Rental income	2	16 854 161	16 382 763	31 201 906
Property sales	2	43 990 775	33 906 827	76 284 397
Other revenue	2	48 107 672	25 704 043	105 797 247
Total revenue	2	108 952 608	75 993 633	213 283 550
Property-related expenses		8 931 430	7 000 810	16 204 064
Other cost		61 317 539	40 435 527	130 671 458
Total expenses		70 248 969	47 436 337	146 875 522
Operating profit before fair value adjustments on investment properties		38 703 639	28 557 296	66 408 028
Fair value adjustments on investment properties	3	27 876 375	-1 786 690	60 533 070
Operating profit		66 580 014	26 770 606	126 941 098
Share of profit of investments accounted for using the equity method		-17 356 939	-1 924 733	-1 658 466
Finance income		600 494	452 458	1 871 188
Finance costs		8 839 887	7 779 926	17 335 313
Realised net financial items		-25 596 332	-9 252 201	-17 122 591
Fair value adjustments on derivatives		5 122 218	-3 179 221	4 517 878
Net financial items		-20 474 113	-12 431 422	-12 604 713
Profit before income tax		46 105 901	14 339 184	114 336 385
Income tax expense		-4 031 132	2 214 118	6 727 908
Profit for the year		50 137 033	12 125 066	107 608 477
<i>Other comprehensive income</i>		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income		50 137 033	12 125 066	107 608 477
<i>Attributable to:</i>				
Shareholders in the parent Company		50 137 996	12 201 540	107 508 226
Non-controlling interests		-963	-76 474	100 251
Number of shares outstanding		138 195 158	119 344 640	138 195 158
Weighted average number of shares outstanding		138 195 158	119 344 640	120 397 141
Earnings per share (NOK)		0,36	0,10	0,89
Earnings per share, diluted (NOK)		0,36	0,10	0,89

Bulk Infrastructure AS

Consolidated balance sheet


	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
Assets				
<i>Intangible fixed assets</i>				
Goodwill	4	16 947 796	16 947 796	16 947 796
Other intangible assets	4	9 565 546	4 787 623	8 332 471
Total intangible assets		26 513 342	21 735 419	25 280 267
 <i>Non-current assets</i>				
Investment property	3	365 842 479	575 856 318	719 619 392
Property, plant & equipment	3	319 314 229	279 388 556	262 857 908
Investment in Associated company		145 565 836	51 252 192	113 794 716
Investment in shares		-	-	-
Other receivables	6	2 454 746	2 892 562	2 419 662
Total non-current assets		833 177 290	909 389 628	1 098 691 678
 <i>Current assets</i>				
Inventories		5 294 923	5 187 443	5 436 700
Inventories property	3	379 200 000	-	-
Receivables related parties	6	-	-	-
Trade and other receivables	6	45 575 704	47 372 727	45 082 994
Cash and cash equivalents	6	157 659 763	40 328 218	244 198 461
Total current assets		587 730 390	92 888 388	294 718 155
 Total assets		1 447 421 022	1 024 013 435	1 418 690 100


Bulk Infrastructure AS

Consolidated balance sheet


	Notes	June 30, 2017 Unaudited	June 30, 2016 Unaudited	Year 2016 Audited
Equity and liabilities				
<i>Paid in equity</i>				
Ordinary shares		1 570 477	1 193 446	1 570 477
Share premium		741 371 268	558 436 826	741 371 268
Total paid in equity	7	742 941 745	559 630 272	742 941 745
<i>Retained earnings</i>				
Retained earnings		185 369 689	54 676 799	138 735 822
Total retained earnings		185 369 689	54 676 799	138 735 822
Non-controlling interests		-	214 806	427 390
Total equity	7	928 311 434	614 521 877	882 104 957
<i>Non-current liabilities</i>				
Bond loan	6,9			0
Borrowings	6	366 052 897	268 904 536	367 303 952
Derivative financial instruments	5,6	14 857 666	27 676 983	19 979 884
Other long-term liabilities		28 117	25 138	2 166 666
Deferred income tax liabilities		17 180 624	17 316 629	21 211 756
Total non-current liabilities		398 119 304	313 923 286	410 662 258
<i>Current liabilities</i>				
Trade payables		48 317 453	34 827 459	44 325 789
Short-term portion of borrowings	6	12 093 492	14 107 101	14 192 671
Other payables	6	60 579 339	46 633 712	67 404 425
Total current liabilities	6	120 990 284	95 568 272	125 922 885
Total liabilities		519 109 588	409 491 558	536 585 143
Total equity and liabilities		1 447 421 022	1 024 013 435	1 418 690 100


Oslo, August 28, 2017
The board of Bulk Infrastructure AS


Peder Nærbø
Chairman of the board


Torbjørn T. Moe
Member of the board


Lars Oskar Bustgaard
Member of the board


Even Bratsberg
Member of the board


Nicholas B. Laird
Member of the board


John Erik Tønnessen
General manager

Bulk Infrastructure AS
Consolidated statement of changes in equity

	Paid in equity		Retained earnings		Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserves		
01.01.2016	1 193 446	558 436 826	51 028 853	-	291 280	610 950 405
Profit of the period			12 201 540		-76 474	12 125 066
Dividend approved			-23 868 728			-23 868 728
Other changes			12 259 462			12 259 462
Translation differences			3 055 672			3 055 672
Total comprehensive income	-	-	3 647 946	-	-76 474	3 571 472
30.06.2016	1 193 446	558 436 826	54 676 799	-	214 806	614 521 877
01.01.2017	1 570 477	741 371 268	138 735 822	-	427 390	882 104 957
Profit of the year			50 137 996		-963	50 137 033
Other changes			-3 871 455			-3 871 455
Translation differences			-60 064			-60 064
Net change in minority share			427 390		-426 427	963
Total comprehensive income	-	-	46 633 867	-	-427 390	46 206 477
30.06.2017	1 570 477	741 371 268	185 369 689	-	-	928 311 434

Bulk Infrastructure AS

Cashflow statement - consolidated

	Note	June 30, 2017	June 30, 2016
Cash flow from operations			
Profit before income taxes		46 105 901	14 339 184
Adjust for:			
Fair value adj. on investment properties	3	-27 876 375	1 786 690
Finance income		-5 722 712	-452 458
Finance costs		8 839 887	10 959 147
Cashflow before change in working capital		21 346 701	26 632 563
Change in working capital			
Trade and other receivables		-386 017	-2 044 797
Trade and other payables		-2 833 422	35 257 266
Net cash flow from operations (A)		18 127 262	59 845 032
Cash flow from investments			
Purchase and improvements of investments property	3	-98 846 712	-3 063 017
Net change in financial investments		-31 771 120	1 924 733
Purchase of shares in other companies		-	-19 166 667
Sale of shares in other companies		-	-
Purchase of fixed assets	3, 4	-58 567 059	-154 857 855
Net cash flow from investments (B)		-189 184 891	-175 162 806
Cash flow from financing			
Interest paid including interest paid on derivatives		-8 839 887	-7 779 926
Interest received		600 494	452 458
Proceeds from increased debt/repayments of loan		95 137 731	4 869 914
Dividend paid		-	-23 868 728
Disbursement from changes in minority share		-2 379 407	-
Net cash flow from financing (C)		84 518 931	-26 326 282
Net change in cash and cash equivalents (A+B+C)		-86 538 698	-141 644 056
Cash and cash equivalents at the beginning of the period		244 198 461	181 972 274
Cash and cash equivalents at the end of the period		157 659 763	40 328 218
Restricted funds		31 188 888	32 246 874

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2017

Note 1 General information

Bulk Infrastructure AS is a limited liability company registered in Norway. The head office of the company is in Frognerstranda 2, Oslo, Norway. The company is the ultimate parent company of the real estate group Bulk Infrastructure AS.

These interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2016 annual report.

The interim financial statements have not been audited.

The accounting policies applied by the Group in these interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2016. Please refer to Note 2 - Accounting principles to the Consolidated Financial Statement in the 2016 annual report for information on the Group's accounting policies. The annual report is available on www.bulk.no.

Bulk Infrastructure AS
Notes to the consolidated accounts for first half year 2017

Note 2 Segment information

Bulk Infrastructure Group has the following strategic operating segments by 30.06.2017

All operating activities is based in Norway

Operating profit and loss after segment 30.06.2017

	Bulk Logistics		Bulk Digital Logistics		Bulk Networks		Bulk Services *		Elim	Total
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Rental income	16 854 161	16 382 763	-	-	-	-	-	-	-	16 854 161
Property sales	42 646 255	33 906 827	-	-	-	-	1 344 520	-	-	33 906 827
Other revenue	883 019	1 829 655	-	1 407 254	-	50 000	47 224 653	22 417 134	-	48 107 672
Total revenue	60 383 435	52 119 245	-	1 407 254	-	50 000	48 569 173	22 417 134	-	108 952 608
Property-related expenses	2 832 663	2 241 878	-	-	-	-	6 098 767	4 758 932	-	8 931 430
Other cost	855 526	699 041	600 034	651 671	1 359 162	1 296 692	58 502 817	37 788 123	-	61 317 539
Total expenses	3 688 189	2 940 919	600 034	651 671	1 359 162	1 296 692	64 601 584	42 547 055	-	70 248 969
Operating profit before fair value adjustments on investment properties	56 695 246	49 178 326	-600 034	755 583	-1 359 162	-1 246 692	-16 032 411	-20 129 921	-	38 703 639
Fair value adjustments on investment properties	27 876 375	-1 786 690	-	-	-	-	-	-	-	27 876 375
Operating profit	84 571 621	47 391 636	-600 034	755 583	-1 359 162	-1 246 692	-16 032 411	-20 129 921	-	66 580 014
Share of profit of investments accounted for using the equity method	-	-	-18 753 359	-1 924 733	-	-	1 396 420	-	-	-17 356 939
Finance income	583 819	1 102 366	441 250	519 958	-	749	2 980 151	1 665 830	-3 404 726	-1 924 733
Finance costs	8 999 027	9 554 374	386 252	501 946	-	45 164	2 859 334	514 887	-2 836 445	600 494
Realised net financial items	-8 415 208	-8 452 008	-18 698 361	-1 906 721	-	-44 415	1 517 237	1 150 943	-	8 839 887
Fair value adjustments on derivatives	5 122 218	-3 179 221	-	-	-	-	-	-	-	-25 596 332
Net financial items	-3 292 990	-11 631 229	-18 698 361	-1 906 721	-	-44 415	1 517 238	1 150 943	-	5 122 218
Profit before income tax	81 278 631	35 760 407	-19 298 395	-1 151 138	-1 359 162	-1 291 107	-14 515 173	-18 978 978	-	46 105 901
Income tax expense	-1 033 227	2 144 546	-2 997 905	69 572	-	-	-	-	-	-4 031 132
Profit for the year	82 311 858	33 615 861	-16 300 490	-1 220 710	-1 359 162	-1 291 107	-14 515 173	-18 978 978	-	50 137 033
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	82 311 858	33 615 861	-16 300 490	-1 220 710	-1 359 162	-1 291 107	-14 515 173	-18 978 978	-	50 137 033
										12 125 066

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2017

Note 2 Segment information - continued

	Bulk Logistics		Bulk Digital Logistics		Bulk Networks		Bulk Services *		Elim		Total	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Assets												
Intangible fixed assets												
Goodwill	-	-	-	-	-	-	16 947 796	16 947 796	-	-	16 947 796	16 947 796
Other intangible assets	-	-	-	-	-	-	9 565 546	4 787 623	-	-	9 565 546	4 787 623
Deferred tax asset	-	-	2 037 787	294 675	3 559 198	1 653 355	23 470 742	8 560 978	-29 067 727	-10 509 008	0	0
Total intangible assets	-	-	2 037 787	294 675	3 559 198	1 653 355	49 984 084	30 296 397	-29 067 727	-10 509 008	26 513 342	21 735 419
Non-current assets												
Investment property	365 842 479	575 856 318	-	-	-	-	-	-	-	-	365 842 479	575 856 318
Property, plant & equipment	2 562 358	219 377	222 699 776	186 080 747	92 734 652	85 895 355	1 317 443	7 193 077	-	-	319 314 229	279 388 556
Investment in Associated company	-	-	101 382 486	51 252 192	-	-	44 183 350	-	-	-	145 565 836	51 252 192
Other receivables	-	100 000	144 326	94 326	-	-	2 310 420	2 698 236	-	-	2 454 746	2 892 562
Total non-current assets	368 404 837	576 175 695	324 226 588	237 427 265	92 734 652	85 895 355	47 811 213	9 891 313	-	-	833 177 290	909 389 628
Current assets												
Inventories	4 570 510	4 570 510	-	-	-	-	724 413	616 933	-	-	5 294 923	5 187 443
Receivables related parties	379 200 000	-	-	-	-	-	-	-	-	-	379 200 000	-
Trade and other receivables	16 767 924	14 840 582	7 768 822	6 536 617	1 408 234	1 483 672	319 077 282	256 473 832	-319 077 282	-256 473 832	-	-
Cash and cash equivalents	107 520 893	14 578 371	22 261 735	4 437 425	2 676 709	3 220 454	19 630 724	24 511 856	-	-	45 575 704	47 372 727
Total current assets	508 059 327	33 989 463	30 030 557	10 974 042	4 084 943	4 704 126	364 632 845	299 694 589	-319 077 282	-256 473 832	587 730 390	92 888 385
Total assets	876 464 164	610 165 158	356 294 932	248 695 982	100 378 793	92 252 836	462 428 142	339 882 299	-348 145 009	-266 982 840	1 447 421 022	1 024 013 435
Liabilities												
Total long-term liabilities	380 769 549	354 137 613	203 302 721	126 590 684	101 140 823	86 880 924	31 983 493	2 787 897	-319 077 282	-256 473 832	398 119 304	313 923 286
Total short-term liabilities	53 176 954	7 773 381	18 686 180	19 780 324	1 144 332	464 118	47 982 818	67 550 449	-	-	120 990 284	95 568 272
Total liabilities	433 946 503	361 910 994	221 988 901	146 371 008	102 285 155	87 345 042	79 966 311	70 338 346	-319 077 282	-256 473 832	519 109 588	409 491 558

* Including Parent Company

Bulk Infrastructure AS

Notes to the consolidated accounts for first half year 2017

Note 3 Investment property

INVESTMENT PROPERTY

	2017	2016
Fair value 1.1.	719 619 392	574 579 991
Additions:		
- Value added improvements on property	98 846 712	3 063 017
- Purchase of property	-	-
- Sale of property	-101 300 000	-
Transferred to inventory	-379 200 000	-
Net change in adjustments of fair value	27 876 375	-1 786 690
Fair value 30.06.	365 842 479	575 856 318
Investment property classified as held for sale	-	-
Property classified as inventory	379 200 000	-
Profit and loss relating to investment property	2017	2016
Income from rent	16 854 161	16 382 763
Expenses related to leased property	-8 931 430	-7 000 810
Expenses related to non-leased property	-	-

Bulk Infrastructure AS
Notes to the consolidated accounts for first half year 2017

Note 3 Property, plant & Equipment

<i>Accumulated cost</i>	Buildings	Land and parking	Under construction	Fixtures and fittings	Equipment	Total
Balance at 01.01.2016	6 206 053	28 155 190	5 011 011	6 648 021	85 798 605	131 818 880
Additions	296 641	20 784 936	131 499 035		96 750	152 677 362
Acquired through business combinations				295 897		295 897
Balance at 30.06.2016	6 502 694	48 940 126	136 510 046	6 943 918	85 895 355	284 792 139
Balance at 01.01.2017	6 775 947	59 526 467	108 929 032	7 300 128	86 848 238	269 379 812
Additions	11 197	1 828 867	49 775 094	808 658	4 910 168	57 333 984
Acquired through business combinations						-
Reclassifications						-
Transfer from assets under construction						-
Balance at 30.06.2017	6 787 144	61 355 334	158 704 126	8 108 786	91 758 406	326 713 796
<i>Accumulated depreciation</i>						
Balance at 01.01.2016	1 745 941			2 625 784		4 371 725
Acquired through business combinations				70 258		70 258
Depreciation charge for the year	98 491			863 109		961 600
Balance at 30.06.2016	1 844 432	-	-	3 559 151	-	5 403 583
Balance at 01.01.2017	2 136 541			4 385 363		6 521 904
Acquired through business combinations						-
Depreciation charge for the year	201 102			676 561		877 663
Balance at 30.06.2017	2 337 643	-	-	5 061 924	-	7 399 567
<i>Net book value</i>						
At 01.01.2016	4 460 112	28 155 190	5 011 011	4 022 237	85 798 605	127 447 155
At 30.06.2016	4 658 262	48 940 126	136 510 046	3 384 767	85 895 355	279 388 556
At 01.01.2017	4 639 406	59 526 467	108 929 032	2 914 765	86 848 238	262 857 908
At 30.06.2017	4 449 501	61 355 334	158 704 126	3 046 862	91 758 406	319 314 229

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Notes to the consolidated accounts for first half year 2017

Note 4 Intangible assets

	Goodwill	R&D and Software	Total
<i>Cost</i>			
Balance at 01.01.2016	-	2 607 130	2 607 130
Acquired through business combinations	16 947 796		16 947 796
Additions		2 180 493	2 180 493
Balance at 30.06.2016	16 947 796	4 787 623	21 735 419
Balance at 01.01.2017	16 947 796	8 332 471	25 280 267
Acquired through business combinations	-	-	-
Additions	-	1 233 075	1 233 075
Balance at 30.06.2017	16 947 796	9 565 546	26 513 342
<i>Accumulated amortization and impairment</i>			
Balance at 01.01.2016	-	-	-
Amortization charge for the year	-	-	-
Balance at 30.06.2016	-	-	-
Balance at 01.01.2017	-	-	-
Amortization charge for the year	-	-	-
Balance at 30.06.2017	-	-	-
<i>Net book value</i>			
At 01.01.2017	16 947 796	8 332 471	25 280 267
At 30.06.2016	16 947 796	4 787 623	21 735 419
At 30.06.2017	16 947 796	9 565 546	26 513 342

Current estimates of useful economic live of intangible assets are as follows:

Goodwill: indefinite

R&D and software: 5 years

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Notes to the consolidated accounts for first half year 2017

Note 5 Derivative financial instruments

	30.06.2017	30.06.2016	31.12.2016
Interest rate swaps	-14 857 666	-27 676 983	-19 979 884
Total liabilities	-14 857 666	-27 676 983	-19 979 884

Interest rate swaps

	30.06.2017	30.06.2016	31.12.2016
National amount interest rate swaps	-80 160 000	-135 256 000	-133 160 000
Total national amount	-80 160 000	-135 256 000	-133 160 000

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Notes to the consolidated accounts for first half year 2017

Note 6 Financial instruments

30.06.2017	30.06.2017				
	Financial derivatives at fair value through profit and loss	Trade and other receivables	Financial liabilities recognised at amortised cost	Other financial liabilities	Total
Assets					
Financial investments		2 454 746			2 454 746
Trade receivables		18 434 279			18 434 279
Other receivables		27 141 425			27 141 425
Cash and cash equivalents		157 659 763			157 659 763
Total Financial assets	-	203 235 467	-	-	205 690 213
Liabilities					
Non current borrowings			366 052 897		366 052 897
Financial derivatives	14 857 666				14 857 666
Other long-term liabilities				28 117	28 117
Accounts payable and other current liabilities			12 093 492	108 896 792	120 990 284
Total Financial liabilities	14 857 666	-	378 146 389	108 924 909	501 928 964

30.06.2016	30.06.2016				
	Financial derivatives at fair value through profit and loss	Trade and other receivables	Financial liabilities recognised at amortised cost	Other financial liabilities	Total
Assets					
Financial investments		2 892 562			2 892 562
Trade receivables		16 299 339			16 299 339
Other receivables		31 073 388			31 073 388
Cash and cash equivalents		40 328 218			40 328 218
Total Financial assets	-	90 593 507	-	-	90 593 507
Liabilities					
Non current borrowings			268 904 536		268 904 536
Financial derivatives	27 676 983				27 676 983
Other long-term liabilities				25 138	25 138
Accounts payable and other current liabilities			14 107 101	81 461 171	95 568 272
Total Financial liabilities	27 676 983	-	283 011 637	81 486 309	392 174 929

Fair value hierarchy for financial instruments recognised at fair value

Financial derivatives recognized at fair value are interest rate swaps. The value of these, is based on actual value. These valuations are based on the second level in the framework of IFRS 7.

Fair value of financial instruments recognized at amortised cost

Financial instruments recognized at amortized cost consists of receivables and liabilities with floating rates. Recognized value is a good indication of fair value for these receivables and liabilities. The adjustments in market rate and debt conditions are reflected in the interest rates.

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Notes to the consolidated accounts for first half year 2017

Note 7 Paid in equity and shareholders

	30.06.2017		30.06.2016			
Share capital	1 570 477		1 193 446			
Change in paid in equity and share premium:						
	Total shares		Paid in equity (IN NOK)		Share premium	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
A shares						
Issued stock and paid in capital						
At the beginning of the year	138 195 157	119 343 639	1 381 952	1 193 436	741 371 268	558 436 826
Capital increase	-	-	-	-	-	-
At the end of the year	138 195 157	119 343 639	1 381 952	1 193 436	741 371 268	558 436 826
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
B shares						
Issued stock and paid in capital						
At the beginning of the year	1	1	0,01	0,01	-	-
At the end of the year	1	1	0,01	0,01	-	-
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
C shares						
Issued stock and paid in capital						
At the beginning of the year	18 852 518	1 000	188 525	10	-	-
Capital increase	-	-	-	-	-	-
At the end of the year	18 852 518	1 000	188 525	10	-	-

The total number of shares are 157 047 676, each valued at NOK 0,01, and NOK 1 570 477 in total. The shares are divided into 138 195 157 A-shares, 1 B-shares and 18 852 518 C-shares. The B-shares have twice the votes of the A-shares plus one vote. The C-shares have no right to vote or dividend. Apart from these exceptions, all shares have equal rights.

The company's largest shareholders at 30.06

Largest shareholders	Type of account	Country	Number of A-shares	Number of B-shares	Number of C-shares	Share %
Bulk Industrier AS	A,B and C	Norway	97 564 521	1	18 852 518	70,60 %
Levada AS	A	Norway	12 107 977			8,76 %
Totomo AS	A	Norway	9 423 252			6,82 %
Morellen AS	A	Norway	6 900 864			4,99 %
Elipica AS	A	Norway	5 397 858			3,91 %
Prospero AS	A	Norway	1 643 358			1,19 %
Other shareholders (21 of > 1 %)	A	Norway	5 157 327			3,73 %
Total number of shares at 30.06			138 195 157	1	18 852 518	100 %

Dividend

There was no proposed dividend at the AGM in 2017.

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Notes to the consolidated accounts for first half year 2017

Note 8 Subsequent events after the reporting period

Events after the balance sheet date are events, favourable or unfavourable, that occurs between the balance sheet date and the date that the financial statements are authorised for issue.

Such events can be events that provide information regarding conditions that existed at the balance sheet date resulting in adjustments of the financial statement, or events that do not require such adjustments.

There are no material events with effect on the balance sheet date or events after the balance sheet date without such accounting effect.

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Notes to the consolidated accounts for first half year 2017

Disclaimer

The information included in this Report may contain certain forward-looking statements that address activities, events or development that Bulk expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors, including but not limited to, economic and market conditions in the geographic areas and markets in which Bulk is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors, we refer to the annual report for 2016. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements. Inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Bulk disclaims any liability in this respect.